



OUR IMPACT

SUSTAINABILITY REPORT 2021
preview

"Our sustainability program is the strategic and programmatic expression of our natural inclination to respect people and the planet."

We are convinced that the path to improve our socio-environmental impact must involve all stakeholders of the company, starting with our family of employees, the local community, end consumers, and our network of partners and suppliers."



Alessio Cremonese
CEO MVC Group

INDEX

1. About us
2. Toward a sustainable production system
 - a. Consumptions and Emissions
 - b. Waste and Packaging
 - c. Supply Chain
 - d. Social Responsibility
3. Partnerships with Purpose
4. Agenda 2030



This presentation contains interactive content.





1 FAMILY
75 YEARS OF HISTORY
OVER 250 EMPLOYEES
ACROSS 7 COUNTRIES
ALMOST 5 MILLION CLOTHING ITEMS PRODUCED
EACH YEAR

We are an Italian house of premium brands, family-owned since 1946, now with a private equity partner, and a leader in performance cycling and outdoor soft goods.

1946

Foundation of Manifattura Valcison S.p.A

1972

Creation of the Sportful brand and production of the first collection of cross-country ski clothing

1985

Production of the first Sportful collection of cycling clothing

2003

Acquisition of the cycling clothing brand Castelli

2007

Creation of the Karpos brand and production of the first collection of technical outdoor clothing

2017

Equinox fund becomes a strategic partner of Manifattura Valcison

2021

Opening of the first multi-brand flagship store (Italy)

ESTABLISHED BY OLINDO AND IRMA CREMONESE, MANIFATTURA VALCISON WAS FIRST A SPINNING MILL FOR WOOL YARNS AND THEN A MANUFACTURER OF QUALITY UNDERWEAR.

TODAY WE ARE AN INCUBATOR FOR SPORTSWEAR BRANDS THAT USES IDEAS AND INNOVATION TO LEAVE A POSITIVE MARK ON THE WORLD.



WE ENCOURAGE PEOPLE TO PROTECT
AND NURTURE THEIR TALENTS, THEIR
DREAMS, OTHER PEOPLE, THE
ENVIRONMENT.

TO GO A LITTLE FURTHER TO ENCOUNTER
WONDER.

TO ACT WITH COURAGE, RESPECT, AND
INTEGRITY.

TO PERSIST AND NOT GIVE UP.

Our mission is to provide the best possible equipment to allow modern explorers to make every moment an adventure, to help creative talents to expand their possibilities, and to enable ordinary humans to become champions.

OUR BRANDS ACCOMPANY PEOPLE
IN THEIR DAILY CHALLENGES.

IN SPORT AND IN EVERYDAY LIFE.



ESTABLISHED IN THE ITALIAN
DOLOMITES TO MAKE ATHLETES
LIGHTER, FASTER, AND MORE
PROTECTED

Sportful's goal is to offer the best possible quality of clothing for every athlete and sportsman, in an accessible and innovative way.

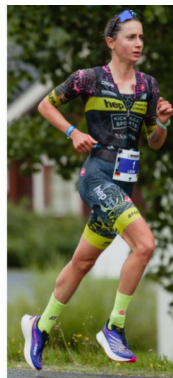
The brand was conceived by Giordano Cremonese, who in 1972 created an acrylic suit to participate in the famous Marcialonga cross-country ski race.

The application of the most innovative and cutting-edge technologies to the world of competitive sport has brought Sportful into cycling.

Sportful has become an iconic brand in this industry through the victories of the most important international teams: from Mapei to BORA-hansgrohe and Team Total Energies, to Olympic gold medals for the Italian national team.



THE TAILOR FOR CYCLING CHAMPIONS SINCE 1876



Castelli's is a story of innovations designed for the cycling champions of the last 100 years.

From the first cycling clothing, made in the 1910s for the world champion and five-time Giro champion Alfredo Binda, to the Gabba WS jersey, the first all-weather aerodynamic protection launched in 2010.

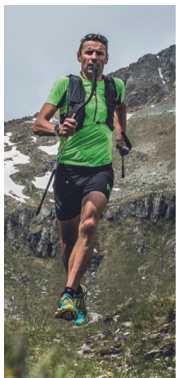
In the 1950s, the brand supplied Gino Bartali and Fausto Coppi with the first silk skinsuits for time trial races.

In 1983, Bernard Hinault won the Fleche Wallonne classic with the first windproof jersey, and the following year Francesco Moser wore the first functional thermal clothing at Paris-Roubaix.

In 2012, Ryder Hesjedal won the Giro d'Italia by only 16 seconds, wearing the most engineered time-trial suit, the Body Paint 3.0 speed suit.

Castelli is technical supplier for one of the greatest and most successful teams in history: Quick-Step Alpha Vinyl Team.

A TEAM OF MOUNTAIN LOVERS WORKING FOR THOSE WHO LIVE AND BREATHE THE MOUNTAINS



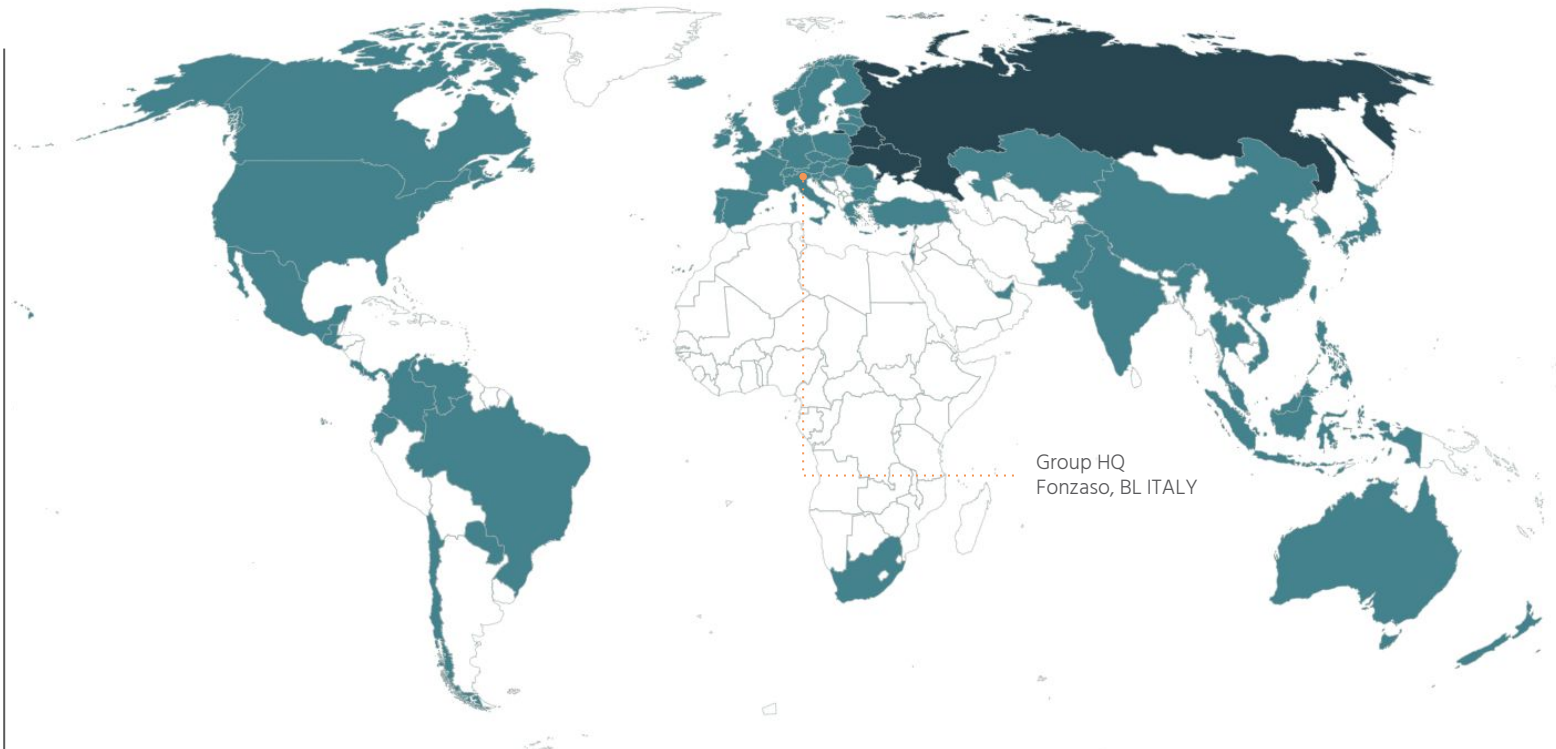
Karpos' story starts from a simple idea: imagine and make possible a different way to experience the mountains.

Karpos exists to meet the needs of people who want to be active, people who stop because they want to, not because they have to.

The essence of its work is to create gear that is functional and beautiful, items that people use to eliminate the superfluous, to go light.

The brand is increasingly attentive to its ecological footprint and sustainability and is progressively more considerate of our natural environment.

1% of the brand's annual turnover is donated to initiatives aimed at supporting and preserving the mountain environment.



WE OPERATE IN **75 COUNTRIES**
THROUGH **6 REGIONAL HUBS** THAT COVER THE LOCAL MARKETS
SERVING ALMOST **2,500 DEALERS.**

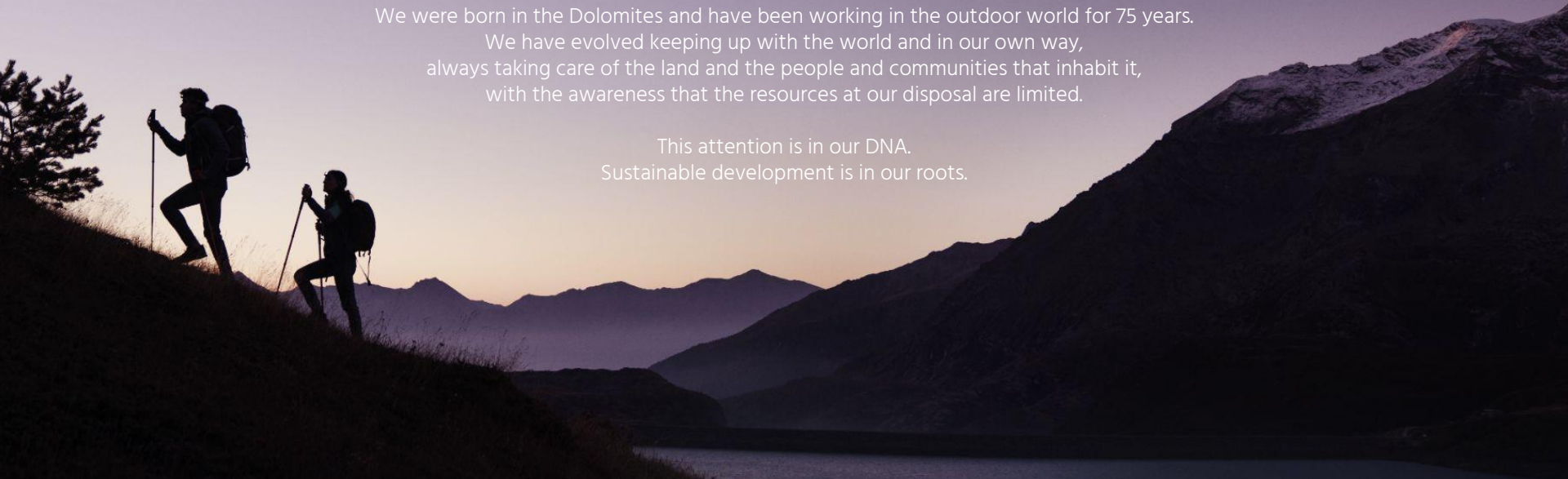
- data refer to the year 2021. At the time of writing of this document (Apr. 2022) all commercial relations with operators which are resident in Russia, Belarus and Ukraine are suspended until further notice.

[CONTACTS](#)

CARING FOR THE FUTURE SINCE 1946

We were born in the Dolomites and have been working in the outdoor world for 75 years.
We have evolved keeping up with the world and in our own way,
always taking care of the land and the people and communities that inhabit it,
with the awareness that the resources at our disposal are limited.

This attention is in our DNA.
Sustainable development is in our roots.



TOWARD A SUSTAINABLE PRODUCTION SYSTEM

Our Strategic Plan for a sustainable development is based on the digital transformation, analysis, and control of data related to these 4 strategic areas.

LIGHTENING
OUR CARBON
FOOTPRINT

MANAGING
WASTE &
PACKAGING

BUILDING
AN ETHICAL
SUPPLY CHAIN

BEING SOCIALLY
RESPONSIBLE



COMMITTED TO LIGHTEN OUR CARBON FOOTPRINT BY

- increasing the use of renewable energy,
- implementing a certified environmental management system,
- promoting sustainable mobility.



GREEN ENERGY

At the Italian HQ of MVC Group (offices and warehouses) we only consume electricity from renewable sources. In 2021, the 72% of it was self-produced by our photovoltaic panels and the remaining 28% was sourced from Italian wind farms. By 2025, our goal is to achieve 100% green electricity in all branches of the group.



ENVIRONMENTAL MANAGEMENT

By 2022 we will have implemented the UNI EN ISO 14001 environmental management system, which will allow us to ensure compliance to international laws and regulations, monitor our environmental performance and reduce our waste.



SUSTAINABLE MOBILITY

As cycling and outdoor apparel company, we are committed to promote and encourage a sustainable mobility system.

The parking areas of the Italian HQ, warehouses and first retail store, are equipped with charging stations both for e-cars and for e-bike.

Starting from 2022, all new vehicles added to the group's fleet will be electric and / or hybrid.



REDUCE OUR OWN WASTE

Waste is a significant problem throughout the world.
MVC Group's waste consists primarily of paper and cardboard packaging materials, office waste, and fabric waste.

To reduce this waste and manage it in a sustainable manner, we focus on three key words: **upcycle, recycle, and redesign!**



MATERIALS UPCYCLING

We constantly research and develop solutions to reevaluate the waste we produce, with particular regard to fabric processing waste and warehouse stocks, in order to gradually reduce the volumes of waste we produce.

KARPOS RINA BAG is the first capsule collection created with upcycled fabrics and accessories.



RECYCLED PLASTIC AND PAPER

Beginning with the FW21 collection, 70% of polybags for product packaging are made with 100% recycled plastic. To further optimize consumption, the format in size and weight has been standardized for all brands. Graphics have been reduced in order to reduce the use of ink. It will soon be used for all products of the three brands.

The goal is to implement the use of 100% recycled plastic by 2022.

Shopping bags at our retail store in Italy are made with 100% recycled and FSC-certified paper.



PRODUCT REDESIGN

We have launched studies to rethink our products, starting from the design, not only in terms of the materials used, but with the objective of making them more durable, reusable, easily repairable, and recyclable.

In 2022 we will distribute guidelines for the design, purchase, and production of more sustainable packaging and visual merchandising — plastic-free materials, displays that can be reused over the seasons, etc.



RELIABLE AND ETHICAL PARTNERS

The quality of a product is the result of the synergy of multiple factors: attention to the safety and health of the user, respect for human and workers' rights, respect for and protection of the environment and animals.

One of MVC Group's key objectives as a responsible business is to help build more sustainable and inclusive supply chains, through long-term relationships based on trust and authenticity .



RAW MATERIALS

In 2021, we counted on a network of 104 suppliers of raw materials - including fabrics and accessories like ribbons, zippers, buttons etc.. - from Italy, Austria, Belgium, Spain, France, Hungary, Nederland and Japan.

Vendors' and suppliers' scouting who adopted the highest certification standards for their fabrics, represents one of our pillars.

At the moment, 44% of the 619 fabrics and ribbons used for our collections are certified with one or more of these certifications.

39% of the fabrics used in our collections are certified **STANDARD 100 by OEKO-TEX®**: one of the world's best-known labels for textiles tested for harmful substances.

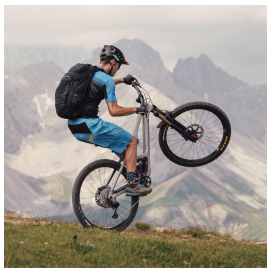
13% of the fabrics and ribbons is **bluesign®** certified: is a system that provides safer and more sustainable environments for people to work in and everyone to live in.

4% of the fabrics is **recycled** and 2% is GRS certified. **The Global Recycled Standard (GRS)** is a voluntary product standard for tracking and verifying the content of recycled materials in a final product.

As for the treated fabrics used for our **water-resistant** products, they represent the best solutions available on the market (C6) and, for some collections (fi. Sportful Fiandre) , we even choosed **PFC- Free (C0) solutions**.

Our goal is to improve the quantity of **PFC-Free DWR solutions** while maintain excellent hydrophobic properties of our clothes.





MANUFACTURING

Sportful, Castelli and Karpos clothes are manufactured both from CMT factories - Cut, Make, Trim hybrid manufacturing with all materials handled by MVC Group - and FPP manufacturers - Full Production Package with contract manufacturer sourcing, located in Europe, Asia and North America.

In 2021 we included environmental and social certifications availability in the criteria for supplier evaluation and selection.

At the moment, 10% of our suppliers is certified with one or more environmental or social certifications.

Within 2022 we'll set SMART goals to increase this rate.

ISO 14001: the international standard that specifies requirements for an effective environmental management system (EMS).

ISO 5001: is a voluntary standard for designing, implementing and maintaining an energy management system

ISO 9001 is the international standard for a quality management system ("QMS"). The standard is designed to help companies focus on customer and regulatory requirements, focused on continuous improvement.

SA8000: is an auditable certification standard that encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace.





PEOPLE FIRST

We are a team of **more than 250 people** in seven countries.

56% of us are women, and despite the “Great Resignation,” the employee **turnover rate is below the EU average** — 5.23%.*

The reason is simple: we care about our people, their occupational health and safety, their well-being.



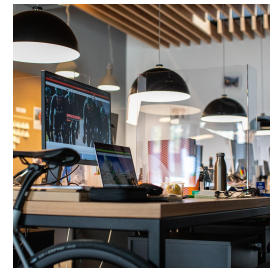
FUN & ENGAGEMENT

- Gym and garden for the employees of the Italian HQs
- Company recreation activities and events
- Sales team apartments at our Italian HQs



BENEFITS

- Supplementary health insurance
- Production bonus at the end of the year
- Grocery and fuel vouchers
- Discounts on purchases



WORK-LIFE BALANCE

- Smart working
- Flexible working hours
- Casual and short Fridays
- 3-year certified program (Family Audit cert.) to improve employees' work-life balance.

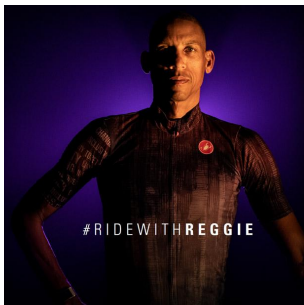




PARTNERSHIPS WITH PURPOSE

Together with partners, institutions, and organizations that share our values, we promote and support sporting, cultural, and social projects, events, and initiatives with the aim of having a positive impact in the world.

In 2021 Castelli, historical partner of the **Giro d'Italia**, designed and produced the iconic leader's jersey for the 103rd edition of the race. The jersey was produced with **recycled yarns** — certified GRS, deriving mainly from recycled plastic bottles.



DIVERSITY & INCLUSION

Castelli partnered with Reggie Miller and Zwift in an effort to make the sport of cycling more welcoming and more inclusive to a new generation of cyclists.

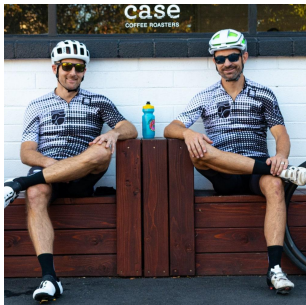
All proceeds raised from sales of the special capsule collection go to the creation of cycling programs at historically Black colleges and universities.

The program raised \$65,000 for historically Black colleges and universities.

SAFE ROADS & SLOW MOBILITY

Sportful was a main partner of Beking Monaco 2021: a bike festival that combines the emotions of fans and passion for sports while raising the awareness of participants and spectators on topical issues such as soft mobility and road safety.





MENTAL HEALTH AWARENESS

Sportful partnered with Blackdog, a project that aims to use cycling to raise awareness of men's mental health issues and get more people talking about this important subject. 100% of the Blackdog capsule collection profits go to Movember to support their work in men's mental health.

SPORTS ACCESSIBILITY AND INTEGRATION

For several years, Castelli has supported Obiettivo 3 by Alex Zanardi through donations and technical clothing.

The project aims to make sports education and participation more accessible among the disabled.

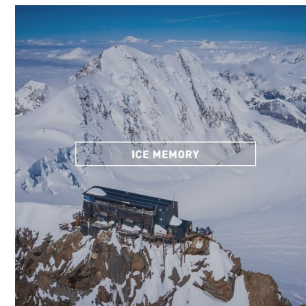
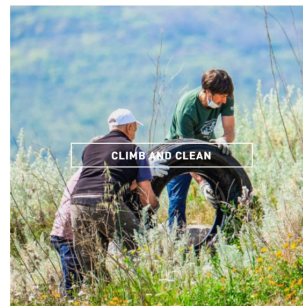


1%

FOR THE MOUNTAIN COMMUNITY

Through its program “Help the Mountains,” Karpos donates 1% of its annual turnover to a series of activities aimed at supporting the mountains and protecting the environment.

In March 2022, Karpos donated its funds from “Help the Mountains” to the Veneto Region project to support refugees fleeing the conflict in Ukraine.



LIST OF ASSOCIATIONS AND ORGANIZATIONS SUPPORTED DURING 2021 THROUGH DONATIONS

AIRC Associazione Nazionale Ricerca sul Cancro
 Amici di zampa Onlus
 Ass Alex Zanardi - Bimbi in Gamba ODV
 Ass Croce Rossa Italiana
 Ass Fidoamico Onlus
 Ass Una luce fuori dal Lager
 Ass.Univers. SANT'ANTONIO
 Associazione Italiana contro le leucemie
 CASPO Onlus
 CBM Italia Onlus
 Community Cycling Center
 Comune di Feltre
 Editrice Magnolia SOS TUMORI
 Flying Angels
 Fondazione Hospice Trentino
 FONDAZIONE POLICLINICO SAN MATTEO
 Fondazione Ricerca Fibrosi Cistica
 Fondazione Ricerca Fibrosi Cistica
 HBCU Cycling/Reggie/Zwift
 Istituto Oncologico Romagnolo
 North Star Cycling Club
 Only The Brave Foundation
 OPERA SAN FRANCESCO
 Pane condiviso
 Rotary , progetto "AMBIENTIAMOCI"
 Rotary, progetto "AMBIENTIAMOCI"
 Save The Children
 Scholarships Fa. Cremonese - Fonzaso High School
 St. Augustine's University
 UNICEF



SUSTAINABLE DEVELOPMENT GOALS



According to an internal in-depth analysis, MVC Group's commitment to ESG aligns with the following Sustainable Development Goals established by the United Nations.



